consolidation and structural reforms put in place during the last three years which has been effective in restoring external confidence, reducing inflation and limiting the economic slow down in the face of severe initial balance of payment crisis. At the same time, IMF had mentioned that the fiscal stance embodied in 1994-95 budget proposals would fall short of what was needed to ensure a sound budgetary position over the medium term.

Review of World Bank regarding Union Budget

5972. SHRI SANJAY DALMIA:

MAULANA OBAIDULLAH KHAN AZMI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a critical review of the World Bank regarding Union budget 1994-95 suggesting that it may not spurn growth;

(b) whether it is a fact that the Budget has failed to stimulate private investment to the extent it was expected; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The Union Budget for 1994-95 aimed at giving priority to simulating investment through the introduction of key structural reform. It was based on the expectation that with more income-elastic sources of taxation, a recovery of growth would improve tax collections that would assist in fiscal consolidation in the future. The World Bank in its Country Economic Memorandum published in May 1994 also reiterated the urgent need for supportive sectoral reforms to utilise the idle capacity in sectors where private investment can flow in. The budgetary proposals and the accompanying economic reforms during 1994-95 had a positive impact on the investment climate in the country. The encouraging trend in domestic investment is evident from the fact that financial assistance sanctioned and disbursed by the All India Financial Institutions in April-December, 1994 recorded a growth of 59.2 per cent and 26.3 per cent respectively compared to the same period of 1993. This was supplemented by the bouyancy in the capital market in which the number of new issues increased to 1032 during April-December, 1994 compared to 753 during the same period in 1993. The response of foreign investment was also encouraging. Portfolio investment including GDRs has responded swiftly, to rise from under $100 million in 1992-93 to nearly $3.5 billion in 1993-94 and could be of the same order in 1994-95. There has been sharp increases in approvals of direct investment proposals, the value rising to $2.9 billion in 1994 from $235 million in 1991. The total DFI proposal approved to $7.2 billion against just under $1.0 billion approved during the whole of the previous decade (1981-90).

Loan Melas

5973. SHRI SANJAY DALMIA:

SHRI MAULANA OBAIDULLAH KHAN AZMI:

Will the Minister of FINANCE be pleased to state:

(a) the amount advanced through loan Melas till March, 1990; and

(b) the amount of loans waived so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) The information regarding the amount of loan disubursed through loan Melas' is not generated by the data reporting system of Reserve Bank of India (RBI). How-